

## KENNEDY CONCERN IN BANKRUPTCY

State Banking Department  
Seizes Books of Suspected  
Banking House.

HEAD ON WAY TO SPAIN

Corporation Had Dealings  
With Hungary and Recon-  
struction Scheme in France.

An involuntary petition in bankruptcy was filed yesterday against Kennedy, Mitchell & Co., Inc., of 33 Wall street, three petitioners presenting claims aggregating \$21,562. Earlier in the day the Sheriff had taken possession of the offices to satisfy a judgment for \$600, awarded to L. H. Bicklow & Co., stationers, of 62 Broad street.

The Sheriff relieved representatives of the District Attorney's office, who had guarded the premises since one day last week. While the court proceedings were in progress Assistant District Attorney Dooling and Fletcher G. Crane, Examiner of the State Banking Department, were going through the books of the concern, these too having been seized.

Meanwhile, the president of the corporation, William Anthony Kennedy, a man so crippled, physically, as to require the use of both a crutch and a cane in walking, was believed to be aboard the Alphonso XII, which is about due to arrive at a Spanish port. His mission abroad, according to attaches of the firm, is to look after 300,000,000 francs (\$60,000,000) in contracts into which the company is said to have entered for the restoration of Verdun and other French cities ruined by German guns.

**\$300,000 Still Untraced.**  
The District Attorney was awaiting, somewhat impatiently, the receipt of a cable despatch from the Hungarian Banking and Trading Company of Budapest telling him whether or not \$300,000 worth of stock in Kennedy, Mitchell & Co., Inc., had been delivered to it. From small banks throughout the country the corporation had received \$350,000 for transmission to points in Europe. Checks and vouchers show that \$30,000 of this amount has been forwarded, Mr. Dooling says, but the disposition of the remaining \$300,000 has not been made clear.

Kennedy, Mitchell & Co., a copartnership, was incorporated on June 12 last year with a capital of \$1,000,000. On November 29 the capital stock was increased to \$10,000,000. Apparently the firm was formed to act as the mercantile representative of manufacturers in the United States and Europe in the shipment of merchandise and goods to the United States. Gradually, however, it sought to extend its operations into other fields. Last summer and autumn it applied successfully for a State bank charter, a private bank certificate and authorization to conduct a national bank, but in each instance the desired permit was refused.

**Under Suspicion for a Month.**  
A month ago Examiner Crane of the State Banking Department began an investigation to ascertain whether or not the firm was carrying on a banking business. As a result of his examination he called the attention of the District Attorney's office to its activities, and the present inquiry, which, he hinted yesterday, might continue for weeks, was initiated.

The corporation's records revealed that Mr. Kennedy was the moving spirit of the concern, planned to embark upon numerous other enterprises. Among these was a small chain of banks throughout the country, chiefly institutions in which Hungarian American money would be interested, for the handling of funds used in the shipments abroad. Initial steps were taken also for the establishment of a Kennedy-Mitchell line of steamships, and it was reported that the firm was planning to build a railway in the Western States was contemplated. Bonds of this projected railway were found in the company's vaults.

The concern also became interested in New York city real estate, but its venture in this line appears to have been unfortunate. It put up \$15,000 in cash for an option on the purchase of an office building at 42 Broadway, and this amount subsequently was forfeited. It expected eventually to acquire the property for \$250,000. Recently the New York Real Estate Company, formerly owner of the building, sued the corporation for \$20,000 on a note which had been presented.

**Many Withdraw From Concern.**  
In the early months of its existence Kennedy, Mitchell & Co. to all appearances prospered. It installed itself in palatial offices—those now in the Sheriff's hands—and at one time employed as many as eighty clerks. An interesting feature is the number of men formerly connected with the enterprise who withdrew when the firm started to explore new fields. Of the men interested as recently as last autumn Mr. Kennedy is almost the only one who remains.

The company's plans, as at first drawn up, were attractive, and the project might easily have proved permanently successful. But as the corporation began to indulge in side issues officers and directors began to drop out. According to Mr. Dooling the names of R. A. C. Smith, Commissioner of Banks and Finance, and Edmund D. Fisher, one of the Deputy City Commissioners, were used in some of the early operations of the company. Mr. Smith said last night that he never even had heard of Kennedy, Mitchell & Co. and that any use of his name was without his authorization.

Since the beginning Mr. Kennedy has been president of the firm. His salary was fixed at \$20,000. Mr. Kennedy, who was born in England in 1877, came to New York in September, 1915. He told men with whom he became acquainted here that he formerly was a partner in Kennedy, Long & Co., London.

**Canadian Is Vice-President.**  
Peter Nemeth, a naturalized Canadian of Hungarian birth, is vice-president at a salary of \$6,000. Hewitt S. West of Glen Falls was formerly treasurer, but withdrew several months ago. Curtis S. Mitchell—the Mitchell whose name appears in the firm's title—retired two months ago. He was a member of a holding company in Pittsburgh, Pa., and was a director and supervising auditor of Kennedy, Mitchell & Co., Inc. Another who withdrew was Herman Winter of the Hamilton-American Steamship Line, whose name until his retirement appeared in the list of directors and as manager of the department of trade and commerce of the Kennedy concern.

Yet others whom Mr. Kennedy seems to have interested but whose connection with the enterprise was brief were John Mitchell, Jr., of Washington and William H. Schott, a business man of Chicago.

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Mr. Schott, according to Assistant District Attorney Dooling, was expected to give particular attention to the railway project.

The investigators assert that probably hundreds of persons, acting through small banks in this State, Connecticut, Pennsylvania, Ohio and Illinois, entrusted the firm with money for transmission to relatives, friends or business correspondents in Europe, principally in Austria-Hungary. The company is known to have sent agents abroad on several occasions and in this way \$250,000 of the \$550,000 already referred to has been accounted for. In many cases sums as small as \$100 are said to have been received for transmission.

**Boarded Ship at Havana.**

According to Mr. Dooling the subscription of \$50,000 of Kennedy, Mitchell & Co. stock which was said to have been made by the Budapest company has been repudiated by that firm. A document purported to be a copy of the corporation's contract with the French Government for reconstruction work in France is among the papers in the District Attorney's possession.

Mr. Kennedy is understood to have sold his residence in Larchmont a short time ago. Mrs. Kennedy, who was Miss Alene Gachet de laie, left New York aboard the Alphonso XII, June 1. Mr. Kennedy went by rail to Tampa, Fla., whence he crossed to Havana, boarding the vessel there. Attaches of the corporation say he has not been at the office for a month. James A. Connel and Harold Johnson, Englishmen, were in charge of the office until the District Attorney took possession.

Daniel W. Blumenthal, of 35 Nassau street, announced yesterday the formation of a committee which all persons who have claims against Kennedy, Mitchell & Co., Inc., will be invited to join.

"About seven or eight weeks ago I called at the firm's offices, but was unable to obtain any trace of Kennedy," said Mr. Blumenthal. "I was told that the concern had just made a \$5,000,000 franc contract with France and had in view a contract with the United States Government involving more than \$20,000,000. I was assured by a representative that the firm was absolutely solvent. Although I called every day for several days, I never saw Mr. Kennedy."

The petitioners in the bankruptcy proceedings yesterday were Frederick A. C. Smith, a maronett, the filed claim of \$20,000; George B. Pratt, Chicago, \$200; and the Mutual Alliance Trust Company, New York, \$1,362. The assets were not stated.

**CONSTABULARY TO  
BE NON-POLITICAL**  
Gov. Whitman So Assures 500  
Candidates.

ALBANY, June 11.—Politics will not be permitted to influence the organization of the new State Constabulary. Gov. Whitman so announced in an address to 500 candidates for places at their physical and mental examination in the Assembly chamber to-day. The Governor said if any one of the candidates was asked what his politics is to notify him immediately.

"I do not want partisanship of any kind to be injected into this department," said the Governor. "You are to be the servants and the representatives at the same time of the State; you are to be the courteous and attentive officers who will help the public generally; point out the highways to the tourist and assist citizens whenever and wherever possible."

Of the 500 odd men taking the examination 200 fell down on the physical examination conducted by Major George Fletcher Chandler and two other surgeons of his own staff, Capt. Willis Linn and Roy D. Richmond. It is believed not more than 100 will pass the mental test, which will require another general examination, as there are 232 men to be appointed. Bad teeth and flat feet disqualified most of those rejected.

The constabulary will be mobilized at Syracuse, where they will be put through a course of law and police studies. Alton B. Parker, Police Commissioner Woods and Major Groom of the Pennsylvania Constabulary will give talks.

**To Investigate "Willful Waste."**  
The Federal Grand Jury sitting at Newark, N. J., will begin to-day an investigation into the recent dumping on the Hackensack Meadows of several carloads of vegetables. United States District Attorney Lynch has been making an inquiry into the reports of alleged willful waste and is in a position, it is said, to present his evidence.

## GOETHALS ORDERS 16 MORE VESSELS

Total Number of Ships and  
Hulls Contracted For  
Is 104.

WASHINGTON, June 11.—Major-General Goethals announced additional shipbuilding contracts to-day, bringing the total number of ships and hulls contracted for to 104. Some comment was occasioned by the fact that none of the sixteen hulls provided for in the contracts made public to-day will be completed before April 1, 1918, although the greatest need for ships is expected in the winter months, beginning about December 1. After the hulls are completed it will be necessary to install engines. The contracts announced to-day were:

Sanderson & Porter, 52 William street, New York city, ten wooden hulls, first hull to be delivered on April 1, 1918, and one hull every fifteen days thereafter, ending August 30, 1918.

Maryland Shipbuilding Company, Lexington Building, Baltimore, Md., six wooden hulls, first hull to be delivered April 30, 1918, and one hull to be delivered on the last day of each succeeding month, ending September 30, 1918.

The summary to date follows: 13; total number of contracts executed, 13; total ships and hulls contracted for, 104; complete steel ships, 18; complete composite ships, 32; complete wooden ships, 50; total contract value, \$1,000,000.

Gen. Goethals verified the announcement of the \$1,000,000 contract for twenty composite ships of 350 tons with the Terry Shipbuilding Corporation of New York city, but said that this was an old contract. The award was made May 20, when it first was expected that the ships would be built at Moss Point, Miss. Edward F. Terry of the corporation got permission to move the plant to Savannah, Ga., where a permanent yard will be constructed. The first of the ships will be delivered in eight months.

**FEUDIST SEIZED IN DRAFT.**

McCor's Relative Plotted "Revolution" in Virginia Mountains.

ROANOKE, Va., June 11.—The Federal net sweeping the feud districts of the mountain country for anti-draft conspirators to-day brought in Calvin McCoy, a relative of William V. McCoy, already under arrest, and charged with being at the head of the "revolution," which was to have murdered all the landed people of the vicinity and taken their property.

Department of Justice agents and National Guardsmen along the line of the mountain railroad are being fired upon daily by sympathizers.

**Love Suit Trial Goes Over.**

Because Martin W. Littleton, counsel for John B. Manning of Riverside Drive, is engaged in a trial before Judge Hand in Manhattan, Justice Crosey at Long Island City yesterday adjourned trial of the action of Miss Honora M. O'Brien against Manning for \$1,000,000 for breach of promise of marriage until Thursday. At the same time Justice Crosey said there would be no further delay.

**Col. Ward to Open Gardens.**  
Col. Aaron Ward, whose rose gardens at Roslyn, L. I., are among the most beautiful in the country, has agreed to throw the gardens open to the public from 3 until 6 o'clock each afternoon from Saturday, June 16, until Thursday, June 21, for the benefit of the American ambulance hospital in Paris. Admission will be 11.

**I want to show you something new in seven passenger seating arrangement—the new Pullman type folding seats—part of the regular equipment of the new seven passenger Hup.** They're full car width and as roomy as the trolley seat. Really this feature makes eight passenger capacity of a seven passenger car, with maximum comfort for all, too.

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This seven passenger model is built on a special 134-inch wheel base with extra heavy frame and springs. There's power and to spare in the simple "overload capacity" four cylinder Hupmobile, motor-power to take you anywhere you'll ever want to go—and a whole lot faster than you'll ever want to travel.

Come—see—ride in it—or drive it. That's the way to prove our statements. Immediate deliveries now—but that's no guarantee of the future.

Five-Pass. Touring Car.....\$2250 Sedan.....\$2750  
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**HOW TO GET  
RID OF CORNS**  
A Simple, Safe and Reliable Way.  
No Pain or Soreness

Thanks to a new discovery made from a Japanese product, women will soon be wearing smaller and prettier shoes than ever. Corns are to be a thing of the past. A new preparation called Toe-Mint is said to make any corn or callous shrivel right up and lift off easily. Hard corns, soft corns or corns between the toes can soon be lifted right out, root and all. Toe-Mint is wonderful. No pain and not a bit of soreness while applying it or afterwards. People are warned to stop cutting and trimming their corns and avoid the risk of blood poisoning. Simply get a small jar of Toe-Mint from your druggist and from the very second that it touches that sore, tender corn your poor, tired aching feet will feel so cool, easy and comfortable that you will wish with relief. Think of it: just a little touch of this cooling, soothing Toe-Mint and real foot joy is yours. It is the real Japanese secret of fine, healthy little feet, and is highly appreciated by women who wear high heel shoes and men who have to stand on their feet all day.—Ad.

## BUY LIBERTY BONDS AND DANCE, IS ADVICE

Masters Do This at Their Convention Here.

"If you've bought your Liberty Bond and you've registered in the State census—then dance—it's patriotic."

Take this bit of advice from 150 men and women from all parts of this country who earn their living by dancing, for yesterday they opened a week's convention of the International Association of Masters of Dancing at the Hotel Martinique. Just to show their patriotism they started their first meeting by voting a big sum of money to buy a Liberty Bond.

The dancing masters are having a "self-imposed censorship" of their own. Back of closed doors all the new steps from California to Florida are being exhibited, but no one who is not a dancing master can see them. A newspaper reporter lent allowed even to peep through the door cracks.

Miss Edna De Fron portrayed Denver's latest step and Roy Heib of Chicago did the "American Beauty Glide," which is hereby introduced to New York from the West. It is danced to fox trot music, but with a description of it is barred by those closed doors. Along the Western coast, and especially at Los Angeles and San Diego, they are dancing all kinds of new patriotic steps, and Miss Hilda Harker, who is official demonstrator of the association, was present to teach the steps.

"But for the public the word is—simplicity in dancing, just plain one step, fox trot and waltz—principally waltz," said Charles A. McCrea, president of the Philadelphia Dancing Masters Association, who is acting as official censor for the dancing masters.

**BIG TELEPHONE CABLE LAID.**

Carries 80 Pairs of Wires Under Haritan Bay.

One of the largest submarine telephone cables in the world has just been laid by the New York Telephone Company across Haritan Bay, connecting Ellingville, S. I., and Keanburg, N. J. The work started last Friday and was completed yesterday. The new cable is five and an eighth miles in length and contains seventy-four pairs of wires for transmitting calls and twelve pairs of wires for testing purposes.

There are longer underwater telephone cables on the Pacific coast and under the English Channel, but they contain only from two to sixteen pairs of wires. There is a cable similar to the Haritan Bay cable across the Hudson River linking Tarrytown and Nyack, but it is not so long.

**STRANGER FOUND DEAD.**

Man Supposedly F. T. Whitaker of London Dies Suddenly.

A man about 35 years old rented a room about a week ago at 146 West Eighty-second street from Miss Lona Anderson. He refused to give his name, but paid his rent in advance. About the only thing he had to say was that he was not very well. Yesterday afternoon when a chambermaid entered the room and saw the man, sitting in a chair, apparently looking out of the window, she spoke, but got no reply. She spoke again, and when the man still failed to answer she shook him. The man fell from his chair to the floor.

The maid summoned Miss Anderson, who saw that the man was dead, and summoned a physician. Coroner Corner Hellenstein and the police. A suit case with the initials "F. T. W." stamped on it held a bank book issued by the Manchester and Liverpool Banking Company of London to "Francis Taylor Whitaker." A memorandum book contained the request that in case of illness notify Mrs. E. Calverley, 4212 Twenty-second street, San Francisco, and Miss Whitaker, Empire Hospital, Vinland square, London, S. W.

## THREE PERSONS DIE IN UP-STATE FLOOD

Terrific Rainstorm Washes  
Away Houses at Oriskany  
Falls and Oneida.

Utica, N. Y., June 11.—A rainstorm that started at 2 o'clock this morning and raged throughout most of the day caused a flood that drowned three persons at Oriskany Falls and Oneida, washed houses and manufacturing plants from their foundations, carried away live stock, tied up three railroads and caused a greater property damage than any storm within the past twenty-five years. It was estimated to-night that about 10,000 acres of cultivated land have been flooded and most of the crops have been washed out and destroyed. Many farmers have lost their entire crops, with their poultry and sheep, hogs and young cattle, and in many instances their farms have been stripped of buildings.

The storm seemingly centred in the Sauguit Valley, in which are the towns of Cassville, Clayville, Willowdale and Washington Mills, and in the Oriskany Valley, where the most violent phases of the deluge were felt in the neighborhood of Oriskany Falls, due to the going out of dams at Solville and the Fisk and Lyons ponds, south of the falls.

**Flood's Path Is Thirty Miles.**

The flood rushed along the whole length of the Oriskany Valley to the Mohawk River, a length of some thirty miles, inundating nearly every town and causing immense damage. Every town in the Sauguit Valley was deluged, manufacturing plants being compelled to suspend operations and hurry their employees to higher ground to escape the torrents of water. Throughout the valleys horsemen rode ahead of the flood, warning people to abandon their homes and take to the high ground.

In Utica the flood came down a valley on the western side, and it was necessary to call out the Fire Department to rescue a number of families. The water was so high that in one place a brewery barn was flooded and three horses drowned, and several mills were so filled with water that they have ceased operations.

**Woman One of Three Victims.**

The flood left the course of the Oriskany Creek at Oriskany Falls and cut through the village. Directly in its path was the home of Mrs. Judson Hueson. The house was swept from its foundation and her body was found half a mile away. Albert Parlynski, a section hand, was swept away with a section house on the Ontario and Western Railroad at Oriskany Falls, and Earl Rohrer perished near Oneida when a small dam collapsed.

Bridges of the Ontario and Western, the Lackawanna and the New York Central have been swept away in both the Sauguit and Oriskany valleys.

**AMSTERDAM IN PERIL.**

Street Hydrants Opened to Prevent Reservoir Bursting.

AMSTERDAM, N. Y., June 11.—Several streets in this city were flooded to-night when hydrants were opened to relieve a pressure on the reservoir holding millions of gallons of water, which threatened to give way.

Flooded areas were kept busy aiding families in vacating their homes and escaping the torrents of water which swept through them, in some instances, like an overbearing river. Traffic of all kinds throughout the city was virtually suspended.

## 'NEWS DESPATCHES' FAKED BY GERMANS

State Department Investigation  
Reveals No "New York  
Correspondents."

WASHINGTON, June 11.—The investigation instituted by the State Department of the mysterious cable messages which German newspapers pretend to have been getting from their "special New York correspondents" has revealed no such source as has been claimed for them. All indications are that these messages are being "faked" in Germany and are distorted versions of Reuter despatches sent to neutral countries from the United States.

The State Department was informed to-day that the Hamburger Fremdenblatt, under date of June 8, printed the following despatch as having been received from New York:

"The American Senate has already passed regulations which provide that every German who has in the last three years arrived from Germany shall be interned. Wilson has laid before the Senate a draft of a law relative to spies which is far more drastic than anything previously enforced in Russia."

In this case the despatch is regarded as merely a fabrication to suit German particular aims with their own people. The latter portion of the despatch is a distorted version of the reports concerning the espionage legislation.

Investigation made of the alleged Frankfurter Zeitung despatch printed under date of June 3 from "its New York correspondent" reveals no record of any such despatch having been filed over any American cable route, and also fail to show that any such despatch was sent by wireless. The Navy Department, which controls outgoing wire-

less messages, no longer permits German correspondents to send despatches to Germany.

The United States Government exercises no censorship over cable messages to Europe because these messages all pass through the hands of the British or French censors, and it is regarded as unnecessary for this country to duplicate that work. The inspired articles now appearing in German newspapers and attributed to "their New York correspondents" are regarded here as fitting in with a new brand of German propaganda, which is being used to influence neutral opinion.

**SUES HARRY FOX FOR DIVORCE**

Yankee Dolly Fox, one of the Dolly sisters, filed suit for divorce yesterday in the Supreme Court against her husband, Harry Fox, comedian. The papers submitted by the dancer's attorney, Elias & Magan of 1 Madison avenue, were sealed.

Fox made an impression last year when he appeared with Gaby D'Arny in the musical comedy "Stop! Look! Listen!" Yankee Dolly appeared last year when he appeared with "His Bride Night."

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